

CYNTHIA A. HARDING, M.P.H.
Interim Director

JEFFREY D. GUNZE NHAUSER, M.D., M.P.H.
Interim Health Officer

313 North Figueroa Street, Room 708
Los Angeles, California 90012
TEL (213) 240-8156 • FAX (213) 481-2739

www.publichealth.lacounty.gov



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May 12, 2015

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

33 May 12, 2015

PATRICK O'SAWA
ACTING EXECUTIVE OFFICER

**AUTHORIZATION TO ACCEPT AND IMPLEMENT FUTURE STANDARD AGREEMENTS AND PROVIDER PARTICIPATION AGREEMENTS AND/OR AMENDMENTS FROM THE CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES AND EXECUTE HOST COUNTY AGREEMENTS AND/OR AMENDMENTS, CLAIM REIMBURSEMENT AGREEMENTS, AND MEMORANDA OF UNDERSTANDING FOR THE COUNTYWIDE MEDI-CAL ADMINISTRATIVE ACTIVITIES AND TARGETED CASE MANAGEMENT PROGRAM THROUGH
JUNE 30, 2020
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

Provide authorization to accept and implement future Standard Agreements and Provider Participation Agreements and/or amendments from the California Department of Health Care Services and execute Host County agreements, claim reimbursement agreements, and memoranda of understanding for the Countywide Medi-Cal Administrative Activities and Targeted Case Management Program through June 30, 2020.

IT IS RECOMMENDED THAT THE BOARD:

1. Delegate authority to the Interim Director of the Department of Public Health (DPH), or her designee, to accept and implement future Standard Agreements (SA) and/or amendments for the Countywide Medi-Cal Administrative Activities (MAA) and Targeted Case Management (TCM) Program, that are consistent with the requirements of California Department of Health Care Services (DHCS) SA Number 14-90031, in amounts determined by DHCS, that extend the term through June 30, 2020; reflect non-material and/or ministerial revisions to the SA terms and conditions; and/or

provide a redirection of funds, subject to review and approval by County Counsel, and notification to your Board and the Chief Executive Office (CEO).

2. Delegate authority to the Interim Director of DPH, or her designee, to accept and implement future TCM Provider Participation Agreements (PPA) and/or amendments that are consistent with the requirements of DHCS PPA Number 19-1318 that extend the term through June 30, 2020 and/or reflect non-material and/or ministerial revisions to the PPA terms and conditions, subject to review and approval by County Counsel, and notification to your Board and the CEO.

3. Delegate authority to the Interim Director of DPH, or her designee, to execute amendments to Host County Agreement Number MAA1416LA with the County of Plumas for collecting and distributing Local Government Agency's (LGA) participation fees, effective upon date of Board approval through June 30, 2016, and to execute future Host County agreements and/or amendments, as required by DHCS, in amounts determined by DHCS and the LGA Consortium, effective July 1, 2016 through June 30, 2020, subject to review and approval by County Counsel, and notification to your Board and the CEO.

4. Delegate authority to the Interim Director of DPH, or her designee, to execute amendments to Contract Number 77526 with the First 5 LA Proposition 10 Commission (First 5 LA), effective upon date of Board approval through June 30, 2015, and to execute contract renewals or extensions effective July 1, 2015 through June 30, 2017, with an option to extend through June 30, 2020, to continue processing MAA reimbursement claims for services provided to eligible and potentially eligible Medi-Cal clients, subject to review and approval by County Counsel, and notification to your Board and the CEO.

5. Delegate authority to the Interim Director of DPH, or her designee, to execute future contracts with qualified MAA/TCM participants to process MAA reimbursement claims for services provided to eligible and potentially eligible Medi-Cal clients, effective upon execution through June 30, 2020, subject to review and approval by County Counsel, and notification to your Board and the CEO.

6. Delegate authority to the Interim Director of DPH, or her designee, to execute change notices to the MAA/TCM contracts to adjust services, as needed, and/or correct errors in the contract terms and conditions.

7. Delegate authority to the Interim Director of DPH, or her designee, to execute memoranda of understanding (MOU) with LA Care and Health Net, the two Medi-Cal Managed Care Health Plans (MCP), to implement a collaborative approach between TCM and MCP to define respective responsibilities and necessary coordination and referral of resources, effective upon execution through June 30, 2020, subject to review and approval by County Counsel, and notification to your Board and the CEO.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The MAA Program supports the administration of the Medi-Cal program by improving the availability and accessibility of Medi-Cal services to Medi-Cal eligible and potentially eligible individuals and their families. Medi-Cal related activities funded under this federal reimbursement program include: outreach, facilitation of eligibility determinations, non-emergency transportation, contract administration, program planning, targeted case management, and coordination of MAA and claims administration.

The TCM Program provides specialized case management services to Medi-Cal eligible individuals in a defined target population to gain access to needed medical, social, educational, and other services. The target populations are: 1) children under the age of 21; 2) medically fragile individuals; 3) individuals at risk of institutionalization; 4) individuals in jeopardy of negative health or psychosocial outcomes; and 5) individuals with a communicable disease.

On June 23, 2014, your Board approved transfer of the administration of the MAA/TCM program from the CEO to DPH. In this role, DPH collects claim information, collaborates with the State to identify reimbursement rates, and provides technical assistance and training to MAA Program participants. The recommended actions will provide DPH the authority required to administer the program.

Approval of Recommendation 1 will allow DPH to accept and implement future SAs and/or amendments that are consistent with the requirements of SA Number 14-90031 to extend the term of the SA through June 30, 2020; reflect non-material revisions to terms and conditions; and redirect funds for continued participation in the MAA/TCM program.

The current SA, in the amount of \$108,000,000 for a three-year term, effective July 1, 2014 through June 30, 2017, supports the MAA/TCM claim reimbursement program with First 5 LA and administration costs of DPH, the Auditor Controller (A-C), the Department of Mental Health-Public Guardian, and the Probation Department.

Approval of Recommendation 2 will allow DPH to accept and implement future PPAs and/or amendments that are consistent with the requirements of PPA Number 19-1318 to extend the term of the PPA through June 30, 2020 and/or reflect non-material revisions to terms and conditions for continued participation in the TCM program.

Approval of Recommendation 3 will allow DPH to execute Host County Agreements with entities selected by the LGA Consortium for collecting and distributing LGA participation fees. The MAA/TCM participation fees are used to cover the administrative costs associated with processing claims, including technical assistance and monitoring activities. The total amount of the fee is based upon anticipated State salaries, benefits, operating expenses, and equipment needed to administer the claims process.

As a requirement of participation in the MAA/TCM program, and in recognition of revenue generated through the process, the SA requires all LGAs to pay an annual participation fee through a mechanism agreed to by DHCS, the State, and the LGA that oversees the MAA/TCM programs. Payment amounts are determined based upon the percentage of revenue received by each program participant.

Approval of Recommendation 4 will allow DPH to amend the current contract with First 5 LA and to execute contract renewals or extensions effective July 1, 2015 through June 30, 2017 with an option to extend through June 30, 2020 to continue to process claims for services provided by First 5 LA to eligible and potentially eligible Medi-Cal clients under the MAA program. First 5 LA is not permitted to submit claims directly to the State for MAA reimbursement.

Approval of Recommendation 5 will allow DPH to execute future contracts with additional qualified MAA/TCM participants that are not permitted to submit claims directly to the State for MAA reimbursement to process reimbursement claims for services provided to eligible and potentially eligible Medi-Cal clients, effective upon execution through June 30, 2020.

Approval of Recommendation 6 will allow DPH to execute change notices to the contracts to adjust services, as necessary, and/or correct errors in the contract terms and conditions.

Approval of Recommendation 7 will allow DPH to execute MOUs, as required by DHCS, with two Managed Care Health Plans, LA Care and Health Net, effective upon execution through June 30, 2020, to implement a collaborative approach between TCM and MCP to define respective responsibilities and necessary coordination and referral of resources, and to avoid duplication of services in the TCM program.

Implementation of Strategic Plan Goals

The recommended actions support Goal 3, Integrated Services Delivery, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The maximum amount of SA Number 14-90031 is \$108,000,000 for the term of July 1, 2014 through June 30, 2017. These funds support the MAA/TCM claim reimbursement program with First 5 LA and administration costs of DPH, A-C, the Department of Mental Health-Public Guardian, and the Probation Department.

The County of Plumas was designated the Host County from July 1, 2014 through June 30, 2016 by all LGAs participating in the MAA/TCM program. The Host County acts as the administrative and fiscal intermediary between the State and all participating LGAs, and is responsible for collecting participation fees for administering the LGA Consortium. Participation fees are determined based on the percentage of revenue received by each program participant. The rate will be incremental over the two-year period of the current contract and will be reviewed and reassessed, annually, thereafter.

First 5 LA will reimburse DPH for the costs associated with processing reimbursement claims based on detailed itemization of DPH staff time and activities. First 5 LA will be billed for 50 percent of DPH's administrative costs with the balance to be reimbursed by the MAA Program.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Medi-Cal Administrative Activity Program:

Under California's Medicaid State Plan agreement with the Centers for Medicare and Medicaid Services (CMS), DHCS has been designated the "single State agency" responsible for the administration and oversight of the Medi-Cal program. Los Angeles County has been designated as the LGA that administers the County-Based Medi-Cal Administrative Activities (CMAA) program to provide services to Medi-Cal eligible populations of Los Angeles County.

Under the Medi-Cal program, LGAs that meet Medi-Cal requirements and claim qualified expenditures associated with the administration and provision of services for the Medi-Cal program may be eligible to receive reimbursement from the federal government for a portion of the expenditures. The LGAs and any contributing public agency must certify their allowable expenditures for the actual cost of providing services and/or activities, known as certified public

expenditures.

Targeted Case Management Program:

The TCM Program is an optional Medi-Cal program funded by federal and local funds. The goal of the program is to ensure that the changing needs of Medi-Cal eligible persons are addressed on an ongoing basis and appropriate choices are provided among the widest array of options for meeting those needs.

LGAs participating in the TCM program are eligible to receive federal reimbursement for the cost of providing services covered under the State Medicaid Plan.

Local Administration of the MAA/TCM Program:

DPH, as the administrator of the MAA/TCM program for the County of Los Angeles (County), processes claims for MAA/TCM reimbursement on behalf of the following: the A-C, DPH, the Probation Department, the Department of Mental Health-Office of the Public Guardian, and First 5 LA. DPH will execute MOUs with the identified other County Departments and provide oversight of all aspects of the program including coordination of all MAA/TCM programs; provision of training regarding State, federal, and local requirements for MAA/TCM claims; and administration and coordination of the development of all MAA/TCM agreements. The A-C is responsible for handling all fiscal aspects of the MAA/TCM reimbursement program including the review and approval of claims and distribution of payments.

On June 10, 2003, your Board approved countywide implementation of the MAA/TCM program; designated the CEO as the lead LGA responsible for coordinating countywide participation in the program; and delegated authority to the CEO, or his designee, to execute a contract with DHCS for the period of July 1, 2002 through June, 30, 2003 and subsequent fiscal years.

On June 20, 2006, your Board approved execution of a contract with First 5 LA to process its MAA reimbursement claims for services provided to eligible and potentially eligible Medi-Cal clients.

On June 23, 2014, your Board approved the transfer of the LGA function and its staff from CEO to DPH, and on July 1, 2014, the LGA Consortium selected Plumas County to serve as the Host Entity or fiscal intermediary between DHCS and all participating LGAs.

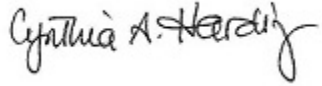
On December 2, 2014, the CEO assigned the Interim Director of DPH as the CEO's designee to accept and implement SAs and amendments from DHCS for the implementation of the MAA/TCM activities, and to execute and amend contracts for the MAA/TCM program (e.g., First 5 LA, and County provider participation/host agreements), pending Board approval of the recommendations outlined above.

On April 9, 2015, the Interim Director of DPH, as a current member of the Board of the First 5 LA Commission, delegated all decision-making and signature authority related to the First 5 LA Commission to DPH's Administrative Deputy.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended actions will ensure access to health care services for Medi-Cal eligible and potentially eligible individuals in Los Angeles County.

Respectfully submitted,

A handwritten signature in cursive script, reading "Cynthia A. Harding". The ink is dark and the signature is fluid.

Cynthia A. Harding, M.P.H.
Interim Director

CAH:evBL#03103

c: Interim Chief Executive Officer
County Counsel
Acting Executive Officer, Board of Supervisors